

**BY-LAWS
OF THE
MOAB IRRIGATION COMPANY
Moab, Utah
Updated 1/23/07**

ARTICLE 1 - STOCK

Section 1. Certificates of Stock

Each stockholder of the Company whose stock has been paid for in full, shall be entitled to a certificate of stock or certificates showing the amount of stock of the Company standing in the books in his name. Each certificate shall be numbered, and bare the signature of the President and Secretary and the seal of the Company, and be issued in numerical order from the stock certificate book. A full report of each certificate of stock as issued shall be entered on the corresponding stub of the stock certificate book.

Section 2. Transfer of Stock

Transfers of stock shall be made upon the proper stock books of the Company, and must be accompanied by the surrender of the duly endorsed certificate or certificates representing the transferred stock. A transfer fee set by the Directors, for each certificate of stock to be transferred, shall be paid to the Company. Surrender certificates shall be canceled and be attached to the corresponding stubs in the stock certificate book and new certificates issued to the parties entitled thereto. No share will be allowed to transfer out of Area 05, as designated by the State of Utah, not including the Colorado River.

Section 3. Lost Certificates

The Board of Directors may order a new certificate, or certificates of stock to be issued in place of certificate or certificates of the Company alleged to have been lost or destroyed.

In the case of lost or destroyed certificate or certificates, the Board of Directors must do one of the following:

- A. Require a bond in such sum as the Board of Directors may require, in any event, not less then the par value of the certificate or certificates of stock to be held by the Company.

- B. Require an affidavit from the registered owner of the stock or his successor in interest stating that the certificate or certificates have been lost and that no claim shall there after be based on said stock certificates.
- C. The Board may, in its discretion, refuse to replace any lost certificate except upon the order of some court having jurisdiction in such matters.

Section 4. Fractional Shares

Transfers of fractional shares currently existing, shall continue without restriction, however, any further shares that are split are limited to a 1/4 share division.

ARTICLE 2 - STOCKHOLDERS

Section 1. Annual Meetings

The regular annual meeting of the stockholders shall be held in Moab, Utah at a place to be determined by the Directors, at 7:00 p.m. on the fourth Monday of January in each year, if not a legal holiday, but if a holiday then upon the day following. At this meeting the Directors for the ensuing year shall be elected and the officers of the Company shall present their annual reports.

Section 2. Special Meetings

Special meetings of the stockholders may be held at any time in Moab, Utah pursuant to a resolution of the Board of Directors, or by a call signed by the stockholders holding 10% of the voting stock of the Company. Calls for special meetings shall specify the time, place and object of the meeting and no other business than that specified in the call shall be considered at any such meeting.

Section 3. Notice of Meetings

A written or printed notice of every regular or special meeting of the stockholders, stating the time and place and in case of special meetings, the objectives thereof, shall be prepared and mailed by the Secretary, postage prepaid, to the last known address or address on the stock transfer books of the Company, of each stockholder, at least 10 days, but no more than 50 days, before the date of any such meeting.

Section 4. Voting

Only stockholders of record shall be entitled to vote at the regular and special meetings of stockholders. At such meetings each stockholder shall be entitled to one vote for each share of stock held in his name. All fractional shares will vote as a decimal equivalent.

Section 5. Election of Officers-Terms of Officer

The election of Directors shall be held at the annual meeting of the stockholders of the Company. There shall be elected at the 1990 annual stockholders meeting three Directors. One to serve for five years until the annual meeting of 1995 when his office will expire. One Director to serve for four years until the 1994 annual meeting when his office will expire. One Director to serve for three years until the 1993 annual meeting when his office will expire. In 1991 two Directors will be elected. One for the term of five years to expire in 1996 and one for the term of one year to expire in 1992. In 1992 and thereafter at the annual stockholders meeting, one Board member will be elected for a five year term to fill the expired term of office for the Board of Directors.

Section 6. Quorum

A majority of the outstanding stock of the Company shall be necessary to constitute a quorum of meetings of stockholders. When a quorum is present at any meeting, a majority of the stock representing thereat shall decide any question brought before such meeting. In the absence of a quorum those present shall adjourn the meeting from day to day, but until a quorum is secured shall transact no business.

Section 7. Proxies

Any stockholders entitle to vote may be represented at any regular or special meeting of the stockholders by a duly executed proxy. Proxies shall be in writing and properly signed, but shall require no other attestation. No proxy, shall be recognized unless executed within two months of the date of the meeting at which it is presented. All proxies executed shall become the property of the Company and held for record.

Section 8. Officers of Meetings

The President, if present, shall preside at all meetings of stockholders. In his absence, the next officer in due order who may be present shall preside; for the purpose of these By-laws the due order of officers shall be as follows: President, Vice President, and Secretary/Treasurer. The Secretary of the company shall keep a faithful record of the proceedings of all stockholders meetings.

Section 9. Order of Business

The order of business at the annual meeting, and so far as practicable, at all other meetings of the stockholders shall be as follows:

1. Calling of roll.
2. Proof of due notice of meeting.
3. Reading and disposal of any unapproved minutes.
4. Annual reports of officers.
5. Election of Directors.
6. Unfinished business.
7. New Business.
8. Adjournment

ARTICLE 3 - DIRECTORS

Section 1. Number and Authority

A board of five Directors shall be elected, who shall have entire charge of the property, interests, business and transactions of the Company, with full power and authority to manage and conduct the same. One Alternate Director may also be voted in at the Annual meeting. The Alternate Director's term is only for one year and only has authority to fill the quorum, but not as an officer (see section 7) when one of the regulars Directors is absent.

Section 2. Qualifications

No person shall be elected, nor shall be competent to act as Director of this Company unless he is at the time of his election the holder of record of at least one full share of its stock.

Section 3. Vacancies

Any vacancy occurring in the Board of Directors may be filled until the next annual stockholders meeting by a majority vote of the remaining Directors.

Section 4. Regular Meetings

The regular meetings of the Board of Directors shall be held in the office of the Company at Moab, Utah at such time as called by the President, or in his absence by the Vice President, or in his absence by the Secretary/Treasurer.

Section 5. Special Meetings

Special meetings of the Board of Directors may be held any time and place in Moab, Utah, upon the call of the President or by majority consent of the Board.

Section 6. Quorum

A quorum at any board meeting shall consist of a majority of entire members of the Board. A majority of such quorum shall decide any questions that may come before the meeting.

Section 7. Election of Officers

Officers of the Company shall be elected by ballot by the Board of Directors at their first meeting after the election of the Directors each year. If any office becomes vacant during the year, the Board of Directors shall fill the same to the next annual stockholders meeting.

Section 8. Order of Business

The regular order of business at the meetings of the Board of Directors shall be as follows:

1. Reading and disposal of any unapproved minutes.
2. Reports of Officers.
3. Unfinished Business.
4. New Business.
5. Adjournment.

Section 9. Compensation of Officers

The Board of Directors shall fix the compensation of the Officers and agents of the Company.

Section 10. Removal of a Director

A Director that has more than three unexcused absences a year from regular board meetings, may be removed from the board by a majority vote of the remaining board members.

ARTICLE 4-OFFICERS

Section 1. Qualifications

The officers of the Company shall be a President, Vice President, and Secretary/Treasurer. These officers shall be elected from amongst their number by the Board of Directors at the first regular meeting after the election of the Directors each year, and shall hold office for the term of one year until their respective successors are duly elected and qualified.

Section 2. The President

The President shall preside at all meetings, shall have general supervision of the affairs of the Company, shall sign and countersign all certificates, contracts and other instruments of the Company as authorized by the Board of Directors, shall make reports, to the Directors and stockholders, and perform all such other duties as are incident to his office or are properly required of him by the Board of Directors.

Section 3. The Vice President

The Vice President shall familiarize himself with the affairs of the Company, and in the absence, disability, or refusal of the President to act as the President, shall possess all of the powers and perform all of the duties of that officer.

Section 4. The Secretary/Treasurer

The Secretary/Treasurer shall issue notices for all meetings, shall keep their minutes, shall have charge of the seal and the corporate books, shall sign with the President such instruments as require such signature, shall have the custody of all monies and securities of the Company and shall keep a regular book of accounts. He shall sign or countersign such instruments as require his signature, shall make such reports and perform such other duties as are incident to his office, or are properly required of him by the Board of Directors. The Board of Directors may require the Secretary/Treasurer to give bond for the faithful performance of his duties in such form and with such sureties as may be required by the Board of Directors. NOTE - The Board of Directors may hire a public accountant to perform many of the duties of the Secretary/Treasurer, however, the Secretary/Treasurer officer position will still be filled by a Director who will become the primary contact with the accountant.

ARTICLE 5 - FINANCES

Section 1. Debt

No debts shall be contracted nor liability incurred, nor contract made by, or on behalf of this Company, unless the same be authorized or directed by a majority vote of the board of Directors at a regular meeting or at a special meeting called for that purpose.

Section 2. Bank Deposits

The Secretary/Treasurer shall deposit monies of the Company as the same come into his hands in such depository or depositories as may be designated by the Board of Directors, and such deposits shall be made in the name of the Company and monies shall be withdrawn there from only by check signed by the Secretary/Treasurer and countersigned by the President, Vice President, or in the absence of both, by a Director of the Company.

ARTICLE 6 - ASSESSMENT

Section 1. Time of Levy

The Board of Directors shall on or before September 15, of each year, prepare a budget for the coming year and levy an assessment for the purpose of paying all of the obligations anticipated for the Company in the following year. The budget will include, but not necessarily be limited to, the cost of distributing water, repairing ditches and dams, and other means of conveying water, and the anticipated expense of any new improvements to the delivery system. Other anticipated legal obligations which the Company may incur are also to be budgeted. This budget is to be part of the annual reports of officers at the annual meeting. In the case of an emergency, an additional assessment can be levied. An emergency is to be determined by a majority of the Board of Directors.

Section 2. Amount-When payable-Delinquent

All shares of stock of the Company shall be assessed equally. Any and all fractions of shares in the Company shall be assessed as a full share. The amount of the assessment shall be paid on or before the date set by the Board of Directors in the Assessment Notice. Any stock upon which the assessment remains unpaid after the date fixed for its payment will be delinquent. A minimum of \$15.00 plus 1% of the unpaid balance will be added to the delinquent assessment. A delivery fee shall also be assessed to each certificate holder. The delivery fees are at no time to exceed the annual expense of the water master.

Section 3. Notice

The Secretary/Treasurer shall mail to each stockholder, at his last known address, a notice of the stock assessment no later than 30 days prior to the due date of the assessment fee. The notice shall set forth the amount per share levied on the stock and the delivery fee, state that the assessment is payable at the date fixed by the Board of Directors at the office of the Secretary/Treasurer, and that if the same is not paid on the day specified, the same will be delinquent and advertised for sale at public auction on a day appointed by the Board of Directors and set forth in this notice.

Section 4. Notice of Delinquency

If any portion of the assessment mentioned in the notice remains unpaid on the day specified therein when stock shall be delinquent, the Secretary/Treasurer shall, unless otherwise ordered by the Board of Directors, cause to be published in a newspaper of general circulation in

Grand County, Utah, in each issue thereof for two weeks previous to the day of sale, a notice in the following form:

MOAB IRRIGATION COMPANY

Moab, Utah

NOTICE

There are delinquent upon the following described stock on account of assessment levied on the ____ day of _____, _____ the several amounts set opposite the names of the respective stockholders as follows: (Names, number of certificates, number of shares, and amount) and in accordance with the By-laws of this Company and an order of the Board of Directors made on the ____ day of _____, _____, the following shares of stock: (list shares to be sold) will be sold at (particular place) at the date _____ and hour of _____ to pay the delinquent assessments thereon, together with a fee to cover the cost of advertising and expenses of sale. (Name of Secretary/Treasurer and location of office).

Section 5. Amount of Stock to be Sold

On the day, at the place and time appointed in the notice of sale, the Secretary/Treasurer shall, unless otherwise ordered by the Board of Directors, sell or cause to be sold at public auction to the highest bidder for each as many shares of each parcel of the described stock as may be necessary to pay the assessments and a fee of to cover the cost of advertising and expenses of sale of each parcel of stock. If payment is made at least 24 hours before the time fixed for the sale, the stock owner may redeem and retain their stock, but shall pay the fee for advertising and expenses of sale in addition to the assessment. The smallest amount of stock offered for sale will be one full share or the complete fraction of stock owned by the certified stock owner.

Section 6. Sale of Stock - Highest Bidder

The highest bidder shall be determined by sealed bid. The company will announce the minimum bid required to cover the amount of the assessment and expenses due. The fraction or share of stock to be sold will be announced in the "Notice of Delinquent Sale." Stock purchased must be transferred to the new owner on the stock books of the Company on payment of the amount of the bid. The Company shall keep the amount of the assessment and expenses. If any excess funds are collected, those funds shall be delivered to the previous owner. If after the Company has kept the money for one year and attempted by certified mail to contact the previous owner, the Company can use the money as the Board directs.

Section 7. By Company

If at the sale of the stock, no bidder offers the amount of the assessment and expenses due, the same may be bid on and purchased by the Company through any of its Officers or Directors at the amount of the assessment and expenses due. The stock shall then be transferred on the books of the Company to the Company.

Section 8. Stock Purchased by the Company

All purchases of its own stock by the Company vests the legal title to the same in the Company and such stock shall be under the control of the Board of Directors which may make such disposition thereof as it may deem for the best interests of the Company.

Section 9. Extension of Time

The Board of Directors may extend the published time for either the collection of assessment or the sale of stock for a delinquent assessment.

Section 10. Errors or Omissions

No assessment shall be invalidated by a failure to make publication of notices as herein provided for, nor by the non-performance of any act required in order to enforce payment of same.

ARTICLE 7 - SUNDRY PROVISIONS

Section 1. Corporate Seal

The corporate seal of the Company shall consist of two circles between which shall be the name of the Company and in the center shall be inscribed "Grand County, Utah", and such seal, as inscribed on the margin hereof, is hereby adopted as the Corporate Seal of the Company.

Section 2. Amendments

These by-laws may be amended, repealed or altered in whole or in part, or additional by-laws passed at any regular meeting of the stockholders or at any special meeting where such

actions have been duly announced in the call.

ARTICLE 8 - DISTRIBUTION OF WATER

Section 1. Distribution of Water

The water of the Company shall be allocated to one or more of the seven diversions according to the number of share designated on the Diversion Declaration Notice sent out with the annual assessment statement. The Diversion Declaration Notice is due upon time of payment of the assessment. A shareholder may make changes in their point of delivery up until January 1st. Changes in the allocation of water to the ditches between January 1st and October 31st may only be made upon the approval of the Board of Directors.

All Company water not called to be delivered in a given season will be divided between the valley ditches. This division will be based on the percentage of shares called to be delivered in each ditch.

Section 2. Zone Settings

Water in the valley ditches will be distributed in zones. The water will be scheduled on approximately a five day rotation in the North (1) and Center (2) Ditches. It will be at the Board's discretion, working with the water master to set the length of time for each zone's water use.

Section 3. Assurance of Sufficient Water

No ditch in the lower valley shall be reduced below 10% of the water allotted to the valley users. This will guarantee, sufficient head of water to flow across the land. It will be at the Board's discretion to group ditches together and put them on turns if the percent of active stock falls below the 10% in one of the ditches.

ARTICLE 9 - THEFT AND CONSERVATION OF WATER

Section 1. Theft by Non-Stockholders

When it is determined by the Board or their agent that water is being diverted by a non-stockholder without proper authority from the Board or a stockholder, the following action may be taken by the Board.

1. First Offense: An oral warning from a Board member or an agent of the Company.
2. Second Offense: The Board will issue a warning in a written notice as to the theft of water.
3. Repeated Offense: The Board will pursue legal action in the courts.

Section 2. Theft by a Stockholder

When it is determined by the Board or their agent that water is being diverted by a stockholder out of set time without proper authority from the Board or stockholder who's turn it is, the following action may be taken by the Board.

1. First Offense: An oral warning from a Board member or an agent of the Company.
2. Second Offense: The Board will convey a written warning as to the theft or misuse of water.
3. Repeated Offense: The Board will pursue legal action in the courts or stop delivery of water to the stockholder for that season.

Section 3. Conservation of Water

In the interest of water conservation the Company will follow the State of Utah's Water Rights "Duty" map for this area (Area 05). The Board shall not be required to deliver more water than allocated by the "duty value" to any individual share holder.

CERTIFICATE

State of Utah)
)ss
County of Grand)

I, the undersigned, hereby certify that the foregoing are the By-Laws of the Moab Irrigation Company adopted by the stockholders thereof on the 2nd day of January at the office of the Company in Moab, Utah.

In testimony hereof I have hereunto affirmed my official signature and the Corporate seal of said company at Moab, Utah this 2nd day of January, 1945.

(Corporate Seal) /s/Secretary (Winfred Bunce)

Filed and Recorded May 7, 1947 at 10:30 a.m.

Emma M. Dalton Recorder

History of Changes to By-Laws

This copy includes changes made, approved and voted on by the stockholders at the Annual stockholders meeting held in Moab, Utah, on January 2, 1990 at the Grand County Court house. Typed on computer by Carolyn S. Tibbetts Sec. for Nate B. Knight, Sec. of Moab Irrigation Company on February 12, 1990.

This copy updated 11/1/97 from all recorded decisions made in the Annual Stockholders meetings from 1991 through 1997. Recorded decisions can be found in the Annual Stockholders meeting minutes.

This copy updated 1/27/98 from the decisions made at the Annual Stockholders meeting on 1/26/98.

1999 Changes made to Articles 3, 6, and 8. See Annual minutes 8 Feb 1999.

2002 Changes made to Article 1 Section 2. See Annual minutes 28 Jan 2002.

2007 Changes made to Articles 2, 8, and 9 from decisions made at the Annual Stockholders meeting on 1/22/07. Note: The use of he, his, and him is considered to be non-gender within the bylaws.